

SUMMARY OF IMPORTANT DATES FOR EMPLOYERS

2010

- January 1, 2010 Provides for small employer tax credit subsidies (applies to employers with no more than 25 employees with average annual wages of less than \$50,000); the maximum credit is available for employers with 10 or fewer employees with average annual wages of less than \$25,000.
- June 23, 2010 (3 months after enactment)
Creates a temporary reinsurance program for employers providing retiree benefits for retirees over 55 and not eligible for Medicare (pays 80% of retiree claims between \$15,000 and \$90,000); it phases out in 2014.
- September 23, 2010 (6 months after enactment)
Permits dependent coverage for children to age 26 (also catastrophic coverage up to age 30).
- September 23, 2010 (6 months after enactment)
Reforms plan benefits, including eliminating lifetime benefit caps, modifies annual limits, eliminates the rescission right absent fraud or intentional misconduct, requires coverage for certain preventative services, imposes prohibitions on benefit discrimination, and eliminates pre-existing condition limitations for dependent children under age 19. Similar provisions apply for existing individual and group plans (“grandfathered plans”) that are excluded from certain changes.

2011

- January 1, 2011 Excludes the cost of over-the-counter medications that do not have a doctor’s prescription from being reimbursed under an FSA, HRA, HSA and Archer Medical Savings Accounts.
Provides a rebate to subscribers if a plan’s medical loss ratio is not at least 85% (80% for individual and small group markets).
Increases the tax on distributions from an HSA or Archer MSA that are not used to pay qualified medical expenses to 20%.

2013

- January 1, 2013 Increases Medicare hospital payroll tax by .9% on individuals that earn over \$200,000 and joint filers with incomes over \$250,000 (no indexing for inflation).
- Imposes a new Medicare tax of 3.8% on investment income (including interest, dividends, royalties, rents and passive income) for individuals that earn over \$200,000 and joint filers with joint incomes over \$250,000 (no indexing for inflation).
- Limits the amount of contributions to an FSA at \$2,500, subject to indexing.
- Eliminates the tax deduction for employers who receive Medicare Part D retiree drug subsidy payments
- March 1, 2013 Employers are required to give notice to employees regarding the Exchanges and the availability of subsidies if applicable

2014

- January 1, 2014 Requires U.S. citizens to have coverage (imposes a tax for noncompliance of the greater of \$695 (up to \$2,085 for family) or 2.5% of household income per year, implemented on a sliding scale commencing in 2014) and exceptions apply.
- Assesses employers with more than 50 employees not offering coverage and having at least 1 full-time employee receiving a premium credit a fee (\$2,000 per full-time employee excluding the first 30). Also, assesses employers with more than 50 employees that offer coverage and have at least 1 full-time employee receiving a premium credit a fee (lesser of \$3,000 per employee receiving a premium credit or \$2,000 per full-time employee).
- Limits any waiting period for coverage to 90 days.
- Makes additional plan reforms (guaranteed issue, rating restrictions, essential level of plan benefits, elimination of pre-existing conditions for all adults and eliminating annual caps) except that for “grandfathered plans” reforms provide for elimination of pre-existing conditions for adults and annual caps.
- Requires employers that offer coverage to provide a free voucher to employees with incomes less than 400% of the federal poverty guidelines whose premium share exceeds 8% but less than 9.8% of income. The

voucher amount is equal to the employer cost and employers that provide vouchers will not be penalized for employees that receive premium credits.

Individuals meeting income guidelines are eligible for premium and cost sharing subsidies.

Requires employers with more than 200 employees to automatically enroll employees into its lowest cost plan (employees can opt out).

2018

January 1, 2018

Imposes an excise tax on issuers of employer-sponsored health plans with premiums that exceed certain thresholds

This is a summary only of important dates applicable to employers generally and there are other provisions applicable to employers in health care delivery and insurance-related industries. While the time line identifies specific implementation dates, we await further guidance on how these requirements will be applied.

For further information on the timeline provided above, please contact William E. Gramlich at 215.569.5739 or Gramlich@BlankRome.com.